

CR 2017/2 - Income tax and fringe benefits tax: customers who use the Ready Track Pty Ltd Driver Journal Report for car log book records

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Class Ruling

Income tax and fringe benefits tax:
customers who use the Ready Track Pty
Ltd Driver Journal Report for car log book
records

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● This publication provides you with the following level of protection:

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

What this Ruling is about

1. This Ruling sets out the Commissioner's opinion on the way in which the relevant provisions identified below apply to the defined class of entities, who take part in the scheme to which this Ruling relates.

Relevant provisions

2. The relevant provisions dealt with in this ruling are:

- section 10A of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA)
- section 10B of the FBTAA
- subsection 136(1) of the FBTAA
- section 28-12 of the *Income Tax Assessment Act 1997* (ITAA 1997)
- section 28-120 of the ITAA 1997
- section 28-125 of the ITAA 1997, and
- section 28-140 of the ITAA 1997.

Class of entities

3. The class of entities to which this Ruling applies is customers who use the Ready Track Pty Ltd Driver Journal Report for car log book and odometer record keeping requirements

Qualifications

4. The class of entities defined in this Ruling may rely on its contents provided the scheme actually carried out is carried out in accordance with the scheme described in paragraphs 7 to 24 of this Ruling.

5. If the scheme actually carried out is materially different from the scheme that is described in this Ruling, then:

- this Ruling has no binding effect on the Commissioner because the scheme entered into is not the scheme on which the Commissioner has ruled; and
- this Ruling may be withdrawn or modified.

Date of effect

6. This Ruling applies from 11 October 2016. However, this Ruling will not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of this Ruling (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

Scheme

7. The following description of the scheme is based on information provided by the applicant. The following document, or relevant parts of it, form part of and is to be read with the description:

- The application for class ruling dated 11 October 2016
- Further information provided by email on 18 November 2016
- Admin's Guide Ready Track Pro Portal

8. Ready Track Pty Ltd have created Ready Track fleet and vehicle GPS tracking systems to track and record vehicle information for customers.

9. A GPS device is assigned to a particular car through a registration process. As part of the registration process, the starting odometer reading of the car is input into the web portal.

10. The initial odometer reading of the vehicle is read directly from the vehicle's diagnostics report at the time the GPS system is installed. If this fails then the user or administrator can update the odometer via the portal.

11. The GPS device uses a GPS signal to determine the location of the car at a particular time using the latitude and longitude. When a reading occurs, the GPS device will record the time and date of the reading and transmit the recorded data to the central server using the 3G or 4G enabled data communication capability.

12. The data uploaded to the central server is mapped to determine the start and finish locations for each journey, the duration of each journey and the distance travelled on each journey by the car. This information is used to calculate the odometer readings for each trip.

13. If, during the trip, the vehicle loses GPS signal, the actual path the driver took will not be recorded, but the kilometres driven and starting and finishing locations will be recorded.

14. The calculated odometer readings are reconciled with the actual odometer readings, which can be entered using the web portal to keep the readings up to date in the case of any minor discrepancies.

15. The information entered into the GPS system provides a Driver Journal Report (DJR).

16. The DJR provides the following information for each journey undertaken during the period of the report:

- Car registration, make and model
- Group/fleet information
- Driver
- Trip type (private, business or other)
- Start date, time and location for each journey
- Time at location
- End date, time and location each journey
- Opening and closing odometer readings for each journey
- Distance travelled for each journey
- Any additional comments in the 'notes' section (this is not a compulsory field for the purposes of the Ready Track system).

17. A driver can be assigned to a particular vehicle, or may have an ibutton which they would swipe against the ibutton reader installed in the vehicle before commencing their trip. An ibutton will hold a unique serial number which is assigned to a driver.

18. A driver is able to input the purpose of the trip using a smart phone application or by accessing the web portal. The driver can classify a trip using a drop down list, selecting business, private or other. They are also able to leave a comment in 'Notes', such as the purpose of the trip. The Notes field is not a compulsory field for the purposes of the Ready Track system.

19. If a driver does not classify a trip within 48 hours (or an alternative time frame agreed by the employer), the user will receive a notification requesting that they login to the application or portal to classify outstanding logs.

20. Drivers and administrators are able to build reports based on the information entered into the GPS system. For example, users are able to generate a trip report only for business trips, or personal trips, or a combination of all the 3 categories.

21. The DJR can also provide a summary of the journeys undertaken for a specified report period, including the following information:

- Initial and final odometer readings for the report period
- Total kilometres travelled during the report period
- Total kilometres travelled during the report period for each classification of trip (business, private or other).

22. Each driver will be able to log into the tracking portal using his/her own account and be able to see the list of trips they have taken in the vehicles.

23. The Ready Track system enables the editing and removing of journal entries, but this is restricted to the system's Administrator, or certain other staff if specified. There is a user report that acts as an audit trail, listing any changes that are made.

24. Data is maintained on the central server for a minimum period of 12 months unless otherwise specified by the customer.

Ruling

25. The DJR is a document that satisfies the definition of 'log book records' in subsection 136(1) of the FBTAA provided:

- the report is for an applicable log book period
- the purpose of the journey is included in the 'notes' section of the report and is sufficiently descriptive to enable the journey to be classified as a business journey, and
- the purpose of the journey classified as being a business journey is entered within a week of the journey occurring.

26. The DJR is a document that satisfies the definition of 'odometer records' in subsection 136(1) of the FBTAA.

27. An employer using the DJR is entitled to claim a reduction of operating costs of a car on account of business journeys, in a log book year of tax, as the DJR meets the requirements of section 10A of the FBTAA provided:

- the report is for an applicable log book period
- the purpose of the journey is included in the 'notes' section of the report and is sufficiently descriptive to enable the journey to be classified as a business journey, and
- the purpose of any journey classified as being a business journey is entered within a week of the journey occurring.

28. An employer using the DJR is entitled to claim a reduction of operating costs of a car on account of business journeys, in a non-log book year of tax, as the DJR meets the requirements of section 10B of the FBTAA.

29. The DJR will satisfy the requirements for keeping a log book as set out in section 28-125 of the ITAA 1997 provided:

- it is for the period specified in section 28-120 of the ITAA 1997, and
- the purpose of the journey is included in the 'notes' section of the report and is sufficiently descriptive to enable the journey to be classified as a business journey, and
- the purpose of the journey classified as being a business journey is entered within a week of the journey occurring.

30. The DJR satisfies the requirements for keeping odometer records set out in section 28-140 of the ITAA 1997.

31. The DJR is capable of being a document that satisfies the requirements to claim a deduction for car expenses using the 'log book' method for the purposes of section 28-12 of the ITAA 1997.

Appendix 1 – Explanation

● This Appendix is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.

What is the operating cost method for the purposes of the FBTAA?

32. Section 10 allows employers to elect to calculate the taxable value of a car fringe benefit using the cost basis method (operating cost method).

33. The taxable value of the car fringe benefit using the cost basis method (operating cost method) is calculated according to the following formula in subsection 10(2):

$$(C \times (100\% - BP)) - R$$

where:

C is the operating cost of the car during the holding period;

BP is either:

- (i) nil if, under sections 10A or 10B, the employer is not entitled to a reduction in the operating cost of the car on account of business journeys undertaken in the car during the holding period; or
- (ii) the business use percentage applicable to the car for the holding period; and

R is the amount (if any) of the recipient's payment.

34. Therefore, employers intending to claim a reduction in the operating cost of a car, on account of business journeys undertaken during the holding period, must meet the requirements of either section 10A (if the year is a log book year of tax) or section 10B (if the year is a non-log book year of tax), as applicable.

Does the DJR meet the relevant requirements of section 10A of the FBTAA?

35. Section 10A states:

SECTION 10A

10A NO REDUCTION OF OPERATING COST IN A LOG BOOK YEAR OF TAX UNLESS LOG BOOK RECORDS AND ODOMETER RECORDS ARE MAINTAINED

Where one or more car fringe benefits in relation to an employer in relation to a year of tax relate to a car while it was held by a particular person (in this section called the 'provider') during a particular period (in this section called the 'holding period') in a year of tax that is a log book year of tax of the employer in relation to the car, the employer is entitled to a reduction in the operating cost of the car on account of business journeys undertaken in the car during the holding period if, and only if:

- (a) log book records and odometer records are maintained by or on behalf of the provider for an applicable log book period in relation to the car; and
- (b) odometer records are maintained by or on behalf of the provider for the holding period; and
- (c) if the provider is not the employer – those log book records and odometer records are given to the employer before the declaration date; and
- (d) the employer specifies the employer's estimate of the number of business kilometres travelled by the car during the holding period; and
- (e) the employer specifies a percentage as the business use percentage applicable to the car in relation to the provider for the holding period.

36. Section 162G of the FBTAA sets out various circumstances under which a particular year can be treated as a 'log book year of tax'. It is accepted for present purposes that all employers using the DJR will make an election under paragraph 162G(1)(b) to treat a relevant current year of tax as a 'log book year of tax'.

37. Paragraph (a) of section 10A of the FBTAA refers to log book records being maintained for an 'applicable log book period'.

38. The term 'applicable log book period' is defined in subsection 162H(1) of the FBTAA as follows:

162H(1) [Car fringe benefit]

For the purposes of the application of section 10 in relation to a car fringe benefit in relation to an employer in relation to a car while it was held by a particular person during a particular period (in this subsection called the 'holding period') starting or ending in a year of tax, a reference to the applicable log book period is a reference to:

- (a) if the holding period is a period of less than 12 weeks – the holding period; or
- (b) in any other case – a continuous period of not less than 12 weeks that begins and ends during the holding period.

39. It is essential to meet the requirements of section 10A that both 'log book records' and 'odometer records' are maintained for an applicable log book period.

Does the DJR satisfy the requirements of the definition of 'log book records'?

40. Subsection 136(1) of the FBTAA defines 'log book records' as:

log book records, in relation to a car held by a person (in this definition called the **holder**), in relation to a period, means a daily log book or similar document in which, in respect of each business journey:

- (a) that is undertaken in the car during the period; and

(b) that the holder, or a person acting on behalf of the holder, chooses to record in the document for the purpose of demonstrating the pattern of use of the car during the period;

an entry setting out particulars of:

- (c) the date on which the journey began and the date on which it ended; and
- (d) the respective odometer readings of the car at the beginning and end of the journey; and
- (e) the number of kilometres travelled by the car in the course of the journey; and
- (f) the purpose or purposes of the journey;

is made in the English language at, or as soon as reasonably practicable after, the end of the journey.

41. Paragraph (c) of the definition of 'log book records' requires each entry to detail the dates on which the journeys began and ended. This requirement is met by the DJR.

42. Paragraph (d) of the definition of 'log book records' in subsection 136(1) of the FBTAA requires the respective odometer readings of the car at the beginning and the end of the journey to be entered into the relevant records.

43. The term 'odometer' is not defined in either the FBTAA or the ITAA 1997 but the *Macquarie Dictionary*, online edition, defines that term as being 'an instrument for measuring distance passed over, as by a motor vehicle'.

44. Provided the device used to determine the car's odometer readings is of sufficient integrity it can be accepted that a system other than the car's own odometer may meet the FBTAA legislative requirements.

45. Each time the car is driven, the start and end odometer readings for the journey are calculated by the Ready Track system from the GPS. It is accepted that the opening and closing odometer readings calculated by the Ready Track system are of sufficient integrity to be 'odometer readings of the car'.

46. It is considered that the opening and closing odometer readings for each car journey detailed on the DJR satisfy the requirements of paragraph (d) of the definition of 'log book records' in subsection 136(1).

47. Paragraph (f) of the definition of log book records requires the purpose or purposes of the journey to be recorded. This requirement is met by the DJR **providing** that the driver records an explanation in the 'notes' section of the DJR which is sufficiently descriptive so as to enable the journey to be classified as a business journey. Although this field is not compulsory for the purposes of the Ready Track System, it **must** be filled out to meet the requirements of this section.

48. It is considered that the DJR meets the necessary requirement of being a 'daily log book or similar document' and also meets the necessary requirement of having the relevant entries 'made in the English language at, or as soon as practical after, the end of the journey'.

49. It is expected that the relevant entries (for example purpose of journey) will be made the same day the car journey was undertaken, it is accepted that there may be occasions on which it is not practical to enter this information at the start of the journey. In such a situation, the purpose of the journey can be entered at a later time, provided this occurs within a week of the journey occurring, it will be accepted that the entry was made as soon as practical after the end of the journey.

50. It is accepted, in the absence of evidence to the contrary in a particular case, that all employers using the DJR in relation to any car fringe benefits they provide will maintain the necessary records for the duration of the 'applicable log book period' (as that latter term is defined in subsection 162H(1)).

51. The DJR will satisfy all the relevant requirements of the definition of 'log book records' as defined in subsection 136(1) provided:

- the report is for an applicable log book period
- the purpose of the journey is included and is sufficiently descriptive to enable the journey to be classified as a business journey, and
- the purpose of the journey classified as being a business journey is entered within a week of the journey occurring.

Does the DJR satisfy the requirements of the definition of 'odometer records'?

52. The term 'odometer records' is defined in subsection 136(1) as follows:

odometer records , in relation to a car, in relation to a period, means a document in which particulars of:

- (a) the odometer reading of the car at the commencement of the period; and
- (b) the odometer reading of the car at the end of the period; and
- (c) ...

are entered in the English language, at, or as soon as reasonably practicable after, the respective times to which those odometer readings relate.

53. The definition of 'odometer records' in subsection 136(1), requires that odometer readings be recorded in relation to both the 'commencement of the period' and at the 'end of the period'.

54. The DJR provides details of the odometer reading for the car at the start of the first recorded journey and also the odometer reading for the car at the end of the last recorded journey that were undertaken during each report period.

55. As stated previously, it is accepted, in the absence of evidence to the contrary in a particular case, that all employers using the DJR will maintain the necessary records for the 'applicable log book period'.

56. It was determined previously that the DJR meets the necessary requirement of having entries 'made in the English language at, or as soon as reasonably practicable after, the end of the journey'.

57. Therefore, the DJR satisfies all the relevant requirements of the definition of 'odometer records' as defined in subsection 136(1).

Conclusion on whether the DJR meets the relevant requirements of section 10A

58. The DJR will satisfy the requirements as 'log book records' for the purposes of section 10A provided:

- the report is for an applicable log book period
- the purpose of the journey is entered into the 'notes' and is sufficiently descriptive to enable the journey to be classified as a business journey, and
- the purpose of the journey classified as being a business journey is entered within a week of the journey occurring.

59. As determined in paragraphs 52-57, the 'Logbook Trip Reports' will also satisfy the requirements of 'odometer records' for the purposes of paragraph (a) of section 10A.

60. It is also accepted, in the absence of any evidence to the contrary in a particular case, that all remaining applicable requirements of section 10A will be met by employers using the DJR.

61. An employer using the DJR is, consequently, entitled to a reduction of the operating costs of a car on account of business journeys, in a log book year of tax, under section 10A provided:

- the report is for an applicable log book period
- the purpose of the journey is entered and is sufficiently descriptive to enable the journey to be classified as a business journey, and

- the purpose of any journey classified as being a business journey is entered within a week of the journey occurring.

Does the DJR meet the relevant requirements of section 10B of the FBTAA?

62. Section 10B states:

SECTION 10B

10B NO REDUCTION OF OPERATING COST IN A NON-LOG BOOK YEAR OF TAX UNLESS LOG BOOK RECORDS AND ODOMETER RECORDS ARE MAINTAINED IN LOG BOOK YEAR OF TAX

Where one or more car fringe benefits in relation to an employer in relation to a year of tax relate to a car while it was held by a particular person (in this section called the '**provider**') during a particular period (in this section called the '**holding period**') in a year of tax that is not a log book year of tax of the employer in relation to the car, the employer is entitled to a reduction in the operating cost of the car on account of business journeys undertaken during the holding period in the car if, and only if:

- (a) odometer records are maintained by or on behalf of the provider in relation to the car for the holding period and, if the provider is not the employer, are given to the employer before the declaration date; and
- (b) the employer specifies the employer's estimate of the number of business kilometres travelled by the car in the holding period; and
- (c) the employer specifies the business use percentage applicable to the car in relation to the provider for the holding period.

63. As determined previously the DJR will satisfy the definition of the term 'odometer records' in subsection 136(1). For similar reasons, it is considered that the DJR will be 'odometer records' for the purposes of paragraph (a) of section 10B.

64. It is also accepted, in the absence of any evidence to the contrary in a particular case, that all remaining requirements of section 10B will be met by employers using the DJR.

Conclusion on whether the DJR meets the relevant requirements of section 10B

65. An employer using the DJR is, consequently, entitled to a reduction of the operating costs of a car on account of business journeys in a non-log book year of tax as the DJR meets the relevant requirements of section 10B.

Claiming a deduction for car expenses

66. Division 28 of the ITAA 1997 sets out the rules for working out a deduction for a car expense if you own or lease a car or hire a car under a hire purchase agreement.

67. Section 28-12 states the following regarding car expenses:

28-12 Car expenses

- (1) If you owned or leased a *car, you can deduct for the car's expenses an amount or amounts worked out using one of 2 methods.
- (2) You must use one of the 2 methods unless an exception applies. If you can't use any of the methods, you can't deduct anything for the *car expenses.

68. Section 28-15 sets out the two methods that can be used for working out a deduction for car expenses and states that some of the methods have eligibility requirements. One of the available methods described in section 28-15 is the 'log book' method.

Does the DJR satisfy the requirements for keeping a log book?

69. Division 28 of the ITAA 1997 provides two methods that can be used by an individual or alternatively by a partnership (that includes at least one individual) to calculate the amount of the income tax deduction that can be claimed for car expenses.

70. One of the methods is the 'log book' method which is contained in Subdivision 28-F of the ITAA 1997. To be able to use this method, the substantiation requirements set out in section 28-100 of the ITAA 1997 must be met.

71. Section 28-100 of the ITAA 1997 requires:

- the car expenses to be substantiated in accordance with Subdivision 900-C of the ITAA 1997
- a log book to be kept in accordance with Subdivision 28-G of the ITAA 1997
- odometer records to be kept in accordance with the requirements in Subdivision 28-H of the ITAA 1997 for the period of the year for which the car was held
- an estimate to be made of the number of business kilometres and the business use percentage, and
- the log book and odometer records to be retained.

Log book requirements in Subdivision 28-G of the ITAA 1997

72. Section 28-115 of the ITAA 1997 sets out the circumstances in which a log book will need to be kept. The circumstances include the making of a decision to keep a log book in a year in which it is not otherwise required to be kept.

73. In using the DJR to record the details of journeys undertaken in a particular year a Ready Track customer will be taken to have chosen to keep a log book for the year.

74. Section 28-120 of the ITAA 1997 requires the log book to cover a continuous period of 12 weeks, unless the car is held for less than 12 weeks. If the car is held for less than 12 weeks, the log book must be kept for the period for which the car was held.

75. Section 28-125 of the ITAA 1997 sets out the way in which a log book is to be kept. Section 28-125 states:

28-125 How to keep a log book

- (1) It is in your interests to record in the log book any journey made in the *car during the log book period in the course of producing your assessable income. If a journey is not recorded, the log book will indicate a lower *business use percentage than is actually the case.
- (2) A journey is recorded by making in the log book an entry specifying:
 - (a) the day the journey began and the day it ended;
 - (b) the *car's odometer readings at the start and end of the journey;
 - (c) how many kilometres the car travelled on the journey;
 - (d) why the journey was made.

The record must be made at the end of the journey or as soon as possible afterwards.

- (3) If 2 or more journeys in a row are made in the *car on the same day in the course of producing your assessable income, they can be recorded as a single journey.
- (4) The following must be entered in the log book:
 - (a) when the log book period begins and ends;
 - (b) the *car's odometer readings at the start and the end of the period;
 - (c) the total number of kilometres that the car travelled during the period;
 - (d) the number of kilometres that the car travelled, in the course of producing your assessable income, on journeys recorded in the log book;
 - (e) the number of kilometres referred to in paragraph (d), expressed as a percentage of the total number referred to in paragraph (c).

Each of the entries must be made at or as soon as possible after the start or end of the period, as appropriate.

- (5) Each entry in the log book must be in English.

76. In considering these conditions, the DJR records data for each trip undertaken in the car. Therefore, it complies with subsection 28-125(1) of the ITAA 1997. The requirements of subsection 28-125(2) of the ITAA 1997 are considered below.

The day the journey began and the day it ended

77. Paragraph 28-125(2)(a) of the ITAA 1997 requires the day the journey began and the day it ended to be entered for each journey. This requirement is met as the DJR provides details of the time and date on which each journey began and ended.

The car's odometer readings at the start and end of the journey

78. Paragraph 28-125(2)(b) of the ITAA 1997 requires the car's odometer readings at the start and end of each journey to be recorded. As discussed at paragraphs 42-46 of this Ruling in relation to paragraph (d) of the definition of 'log book records' in subsection 136(1) of the FBTAA, the odometer readings detailed in the DJR will be accepted as being the odometer readings for the start and end of each journey.

How many kilometres the car travelled on the journey

79. Paragraph 28-125(2)(c) of the ITAA 1997 requires the number of kilometres travelled by the car in the course of each business journey to be shown. This requirement is met as the DJR shows the total number of kilometres travelled each trip.

Why the journey was made

80. Paragraph 28-125(2)(d) of the ITAA 1997 requires the reason for the journey to be shown. As discussed at paragraph 47 of this Ruling, the user is able to input the purpose of a journey into the 'notes' section of the DJR. Therefore, this requirement will be met if the reason that is input for the journey is sufficiently descriptive to enable the journey to be classified as a business journey.

The record must be made at the end of the journey or as soon as possible afterwards

81. In addition, subsection 28-125(2) of the ITAA 1997 requires the entries to be made at, or as soon as possible after the end of the journey. As discussed at paragraph 47 of this Ruling, provided the driver enters the purpose of each journey at the time of making the journey, or at least on a weekly basis, it is accepted that the entries were made as soon as practicable after the end of the journey.

Details to be entered into the log book

82. Subsection 28-125(4) of the ITAA 1997 requires the following details to be entered into the log book:

- the date on which the log book period begins and ends
- the car's odometer readings at the start and end of the period
- the total number of kilometres that the car travelled in the period
- the number of kilometres that the car travelled in the course of producing assessable income on journeys recorded in the log book, and
- the number of kilometres that the car travelled in the course of producing assessable income as a percentage of the total number of kilometres travelled during the period.

83. The DJR and/or the DJR summary that can be provided will satisfy each of these requirements as they can provide:

- the start and end dates of the log book period
- the car's odometer readings at the start and finish of the period
- the total number of kilometres travelled by the car during the period, and
- the total number of business kilometres that the car travelled during the period.

84. The number of kilometres travelled in the course of producing assessable income as a percentage of the total number of kilometres travelled during the period can be easily ascertained from this information.

Entries to be made at or as soon as possible after the start or the end of the period, as appropriate, and in the English language

85. In addition, subsection 28-125(4) of the ITAA 1997 requires each of the entries to be made at, or as soon as possible after the start or end of the period as appropriate and subsection 28-125(5) of the ITAA 1997 requires each entry to be in English.

86. It is expected that the relevant entries will be made the same day the car journey was undertaken. However, there may be occasions on which it is not practical to enter this information at the end of the journey. Provided the purpose of each journey is recorded on at least a weekly basis, it will be accepted that the entries were made as soon as practical after the end of the journey.

87. The requirement at subsection 28-125(5) of the ITAA 1997 is met as the entries are recorded in English.

Conclusion on whether the DJR satisfies the requirements of section 28-125 of the ITAA 1997

88. The DJR will satisfy the requirements for keeping a log book as set out in section 28-125 of the ITAA 1997 provided:

- the report is for the period specified in section 28-120 of the ITAA 1997, and
- the purpose of any journey classified as being a business journey is entered into the 'notes' section of the report within a week of the journey occurring, and is sufficiently descriptive to enable the journey to be classified as a business journey.

Does the DJR satisfy the requirements for keeping car odometer readings at the start and end of the journey?

89. Under section 28-110 of the ITAA 1997, for the first year in which car expenses are claimed using the log book method, the log book must be kept for a minimum continuous period of at least 12 weeks at any time in the income year.

90. Additionally, in a 'non-log book' year the relevant 'period' is the period the person held the car during the relevant income year.

91. It is a requirement in paragraph 28-125(4)(b) that entries are made of the car's odometer readings at the start and end of the period. Therefore, car odometer readings must be kept for the start and end of the relevant 12 week period.

92. Further, section 28-135 of the ITAA 1997 states that Subdivision 28-H sets out how to keep odometer records for a car during a particular period. Section 28-140 is the operative provision that sets out how to keep odometer records for a car for a period. Section 28-140 states:

SECTION 28-140 How to keep odometer records for a car for a period

28-140(1)

Odometer records for a period are kept in the form of a document in which the following are entered:

- the *car's odometer readings at the start and the end of the period;
- ...

28-140(2)

Each entry under subsection (1) must be in English and must be made at or as soon as possible after the start or end of the period, or the end of the specified day, as appropriate.

93. As the DJR is capable of producing the opening and closing odometer readings for each car journey during the applicable log book period, it is also capable of producing odometer readings at the start and end of the log book 12 week period.

94. Therefore, it is accepted that the DJR is capable of satisfying the requirements of paragraph 28-140.

Conclusion on whether the DJR satisfies the requirements for keeping odometer records for the start and end of the period?

95. As the DJR is capable of meeting the requirements of paragraph 28-140(1)(a) this means that section 28-140 is capable of being met provided all remaining requirements of that section are also met by users of the DJR.

96. Therefore, in the absence of any evidence to the contrary in a particular case, the DJR satisfies the requirements for keeping odometer records for a period for the purposes of section 28-140.

Appendix 2 – Detailed contents list

97. The following is a detailed contents list for this Ruling:

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